

AGENT INDIVIDUAL RESIDENT

LICENSING PROCEDURES AND INFORMATION

This document is for general information purposes only. It does not amend or precede provisions of the Kentucky Revised Statutes or Administrative Regulations. For more complete information, refer to the Kentucky Insurance Code.

The Kentucky Department of Insurance issues one license with several “lines of authority” to the agent. This one agent license lists all of the kinds of insurance that the agent is qualified to sell in Kentucky, which means the agent license may list any one or more lines of authority from either or both of the following lists:

- Casualty
- Health
- Life
- Personal Lines
- Property
- Variable Life & Variable Annuity

Or limited lines of authority:

- Credit only
- Crop-Hail only
- Mechanical Breakdown only (no new issued after 7-14-2002)
- Motor Vehicle Damage only (no new issued after 7-14-2002)
- Surety
- Travel (was identified as “representing common carriers” before 7-15-2002)

Further, this one agent license is the basis for appointments with all kinds of insurers that are approved to sell one or more of the lines of authority listed on the agent’s license.

Changes to the law in 2002 separated the agent license from the appointments. This means the **agent may hold a license without an appointment** as long as the agent fulfills any financial responsibility and continuing education requirements, confirms certain information at the time of license renewal, and pays the applicable license renewal fees. However, the **agent cannot use the agent license without an appointment**.

Exceptions to Agent License – Briefly, the requirement to be licensed as an agent does not apply to:

- Employee of an insurer or an insurance producer under specific circumstances if the employee does not receive any commission;
- Individual who furnishes information to or helps enroll persons in group plans and does not receive any commission;
- Representative of an employer, association, or trust who is administering an insured benefit program for employees or members and who does not receive any commission, directly or indirectly;
- Employee of an insurer who classifies risks or supervises insurance producers and is not selling, soliciting, or negotiating insurance;
- Person whose multi-state, mass media advertisement is inadvertently distributed in Kentucky;

- Person whose activities involve a policy sold in another state if the policy just happens to cover risks in Kentucky; and
- Salaried full-time employee who advises the employer relative to the insurance and does not receive any commission.

Specific details of these limited exceptions are found in KRS 304.9-090.

Note: A business entity must have an agent license in order to receive commission either directly or indirectly.

WARNINGS

Notice of Action Against License – Every licensee must notify the Department in writing within 30 days of initiation of:

- **Disciplinary action** taken by any jurisdiction against the license or any other professional license; or
- **Criminal action** taken by any jurisdiction against the licensee.

Address Change or Name Change – Every licensee must notify the Department, in writing, of any change in residence address, business address, or legal name within 30 days of the change. (However, viatical settlement brokers and viatical settlement providers must notify the Department at least **30 days prior** to the effective date of the change.) Agents, surplus lines brokers, rental vehicle agents and managing employees, specialty credit producers and managing employees, reinsurance intermediary brokers, and reinsurance intermediary managers are subject to a penalty up to \$1,000 for failure to do so. Adjusters, administrators, viatical settlement brokers, viatical settlement providers, and consultants are subject to a penalty up to \$2,000.

- **Address changes** should be submitted on Record Correction **Form 8303**. (Moving from Kentucky to another state may require surrendering the resident license and applying for nonresident license. Also moving to Kentucky from another state may require surrendering the nonresident license and applying for a resident license.)
- **Name changes** should be submitted on Record Correction **Form 8303** with pertinent legal documentation approving the name change, including any amendments filed with the Kentucky Secretary of State.

Form 8303 should include the licensee's name and identification number (the licensee's Social Security Number, Federal Employer Identification Number, or Department of Insurance identification number); and it should be submitted to the Department by mail to:

Department of Insurance
Agent Licensing Division
Post Office Box 517
Frankfort, KY 40602-0517

Or **Form 8303** may be submitted to the Department by facsimile to (502) 564-6030, or by e-mail to DOIAgentLicensingMail@ky.gov.

Corrected License Certificate – Because the insurance law requires that the license certificate contain the licensee's name, city and state of principal place of business address, and other pertinent information, every licensee that changes this information must request a corrected license certificate from the Department. To get a corrected license certificate with the name, city, or state change, the licensee must submit a request on **Form 8306** along with the out-of-date

original license certificate. A license certificate with the new name, new city, or new state will be provided without charge and will be mailed to the residence address of the licensed individual or to the business address of the licensed business entity.

MISCELLANEOUS INFORMATION

Notice of Commissioner's Order – Every licensee is deemed to have received any notice or order of the commissioner mailed to the licensee's address on file with the Department.

Licensee's Office Open to Public – If Kentucky is the Home State, the licensee is required to have and maintain an office in Kentucky that is accessible to the public, and that is the place where the licensee principally conducts transactions under the license. This requirement does not prohibit the licensee from maintaining this office in the office of an insurer, in the office of the employer, or in the home of the licensee. (Kentucky is the Home State if the licensee has a Kentucky resident license or has a Kentucky principal place of business without a resident license from another state.)

Display of License and Retention of Records – The license of all licensees must be conspicuously displayed in each Kentucky place of business in a part customarily open to the public. In addition, complete records of transactions under the license must be kept at the place of business for at least 5 years after completion of the purpose for which it was created. [KRS 304.9-390 and 806 KAR 2:070]

Service of Process – All nonresident licensees are deemed to have irrevocably appointed the Kentucky Secretary of State to receive service of process in any court action against the licensee arising out of transactions under the Kentucky license.

Designations – A licensed business entity can only exercise its license through a designated licensed individual. Each designated individual has to hold the same kind of license as the business entity and, if the business entity license has lines of authority, have at least one of the same lines of authority. Further, the designated individual may only exercise the business entity license for the lines of authority held in common by both the business entity and the individual. (For example, a business entity agent is like a building: it cannot operate unless there is an individual to sell the policies and an insurance company to issue the policies. So, the business entity agent must designate individual licensed agents and have appointments with insurers. Likewise, the individual agent must have at least one appointment of his or her own with an insurer.)

Each licensed business entity must file with the Department:

- **Form 8305 – Notice of the designation** of an individual within 30 days of the designation;
- **Form 8305 – Notice of termination** of the designation within 30 days of the termination of designation; and
- **Annual report** by January 31 of all designated individuals whose designations are not terminated prior to January 1. (The Department will provide the form or format to be used for this report.)

Certification / Clearance Letter from Kentucky Department – If an applicant for a license in another state holds or has held a Kentucky resident license, the other state will probably require a letter from the Kentucky Department of Insurance. A Certification Letter states that the license is active and in good standing in Kentucky (needed to license a Kentucky resident licensee as a nonresident licensee in another state). A Clearance Letter states that the former licensee was in good standing at the time the Kentucky license terminated (needed to license a former Kentucky resident licensee as a resident licensee in another state). Kentucky has combined these two letters:

- If the license is active, the letter will serve as a certification letter for the current license activity; and
- If the license is no longer active, the letter will indicate the last date of license and the date it became inactive, thus serving as a clearance letter.

Each letter must be requested in writing on the Certification/Clearance Letter Request Form with the licensee's full name, identification number (the licensee's Social Security Number, Federal Employer Identification Number, or Department of Insurance identification number), and type of letter needed. Also, the licensee must indicate where the processed paperwork should be mailed (or provide a properly addressed envelope to expedite the process). A check made payable to the "Kentucky State Treasurer" in an amount of \$5 for each letter requested should be enclosed with the request.

Certification / Clearance Letters to Kentucky Department – Kentucky requires a letter (or verification through the NAIC Producer Data Base) from the other state if the applicant for a Kentucky license holds or has held a resident license in the other state. These letters are commonly known as Certification Letters and Clearance Letters.

- **Request for Kentucky Nonresident License –**
 - A nonresident individual or business entity applying for a Kentucky nonresident license, must file the original of a **Certification Letter** from the applicant's home state indicating that the applicant is in good standing with the home state.
 - A nonresident individual or business entity, which has a Kentucky nonresident license and changes its home state, must file the original of a **Certification Letter** from the new home state and file a record correction **Form 8303**.
- **Request for Kentucky Resident License –**
 - A nonresident individual or business entity, which is applying for a Kentucky resident license and was formerly licensed as a resident in a state other than Kentucky, must file the original of a **Clearance Letter** from its prior home state indicating that the applicant was in good standing with that state at the time the resident license terminated.

Purchase of Kentucky Insurance Code – Because there is so much involved in the licensing and the legal duties imposed on a licensee, the Department suggests that every licensee get a copy of *Kentucky Insurance Laws and Regulations, 2002 Edition*. This Kentucky insurance code can be purchased for \$39 through the Department of Insurance. It will provide a better understanding of Kentucky insurance laws and procedures. In the alternative, the licensee may access Kentucky's insurance laws and administrative regulations through the Legislative Research Commission Web site at www.lrc.state.ky.us under "[Legislative Resources](#)."

Forms and Additional Information – Kentucky-specific applications and most other forms for all licensees are available through the Department's Web site at <http://doi.ppr.ky.gov/kentucky> under the "[Agent Licensing](#)" section of the menu titled "Licensee Procedures, Forms and Information." Also visit this Web site for additional information on all types of licenses, as well as verification of license status, continuing education credit, appointment, designations with business entities, etc. The Licensing Division is also available to provide information and answer questions through its e-mail address at DOIAgentLicensingMail@ky.gov or by telephone at (502) 564-6004.

INDIVIDUAL RESIDENT AGENT

QUALIFICATIONS – Before approving the application, the law requires the Commissioner to find that the applicant:

- Is at least 18 years of age;
- Is qualified to designate Kentucky as the home state by:
 - Maintaining his or her principal place of residence in Kentucky, or
 - Having his or her principal place of business in Kentucky;
- Is trustworthy, reliable, and of good reputation;
- Has successfully attained a general educational level equivalent to that required for high school graduation;
- Has completed the required 40-hour prelicensing classroom course of study for the lines of authority for which the individual is applying (this requirement does not apply to applicants for Variable Life & Variable Annuity or for the limited lines of Credit, Crop-Hail, Surety, and Travel);
- Has successfully passed examinations required for the lines of authority for which the individual has applied (this requirement does not apply to applicants for Variable Life & Variable Annuity or for Limited Line Credit);
- Is financially responsible to exercise the license and has proven this by filing
 - Errors & Omissions policy,
 - Letter of credit,
 - Surety bond, or
 - Insurer's assumption of legal liability agreement; and
- Has paid all applicable fees.

APPLICATION for applicant not currently Kentucky Resident Agent –

Individuals applying for an agent license must make application to the Department and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Further, the applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department must receive the following to process the individual's application:

Individual License Application – **Form 8301** (completed in its entirety and attaching the appropriate information)

Criminal background report from AOC (obtain the report by filing **Form 8301-BGC** with the Administrative Office of the Courts)

Proof of financial responsibility filed by the insurer or financial institution directly with the Department on any one of the prescribed forms:

- Errors & Omissions policy – **Form 99-1**,
- Letter of credit – **Form 99-2**,
- Surety bond – **Form 99-3**, OR
- Insurer's assumption of legal liability - **Form 99-4** or **Form 99-6**.
 - Accepted as proof of financial responsibility for issuing the license only if appointment **Form 8302-AP** and appointment fee are filed by the insurer in conjunction with the license application

If using assumed name, copies of Certificate of Assumed Name filed with each Kentucky County Clerk where the applicant intends to transact business

All applicable fees

Documentation of compliance with the specified additional requirements for the following lines of authority

- If applying for **Casualty, Health, Life, Personal Lines**, or **Property** lines of authority
 - Certificate of Prelicensing Course completion **Form CPL-01** (completed by provider at end of course) [[List of Providers](#)]
 - Successful completion of appropriate examination [See Examination Study Outlines under the Pre-Licensing & Examination Information Table on the [Agent Licensing documents page](#)]
- If applying for **Variable Life & Variable Annuity** line of authority
 - CRD number (NASD Individual Central Registration Depository Number as proof of successful completion of SEC requirements)
 - Identification number for Kentucky agent license with a life line of authority
- If applying for **Crop-Hail, Surety, or Travel**
 - Successful completion of appropriate examination [See Examination Study Outlines under the Pre-Licensing & Examination Information Table on the [Agent Licensing documents page](#)]
- If applying for **Limited Line Credit**
 - No additional documentation or examination needed

APPLICATION for applicant currently Kentucky Resident Agent Adding

Lines of Authority – The agent may add other lines of authority by submitting a new application with all of the required attachments and qualifying for the new lines of authority as set out above for applicants not currently Kentucky Resident Agents.

FEES

License fee for the resident individual applicant is \$40 for the agent license plus an additional \$40 for each line of authority.

Examination fee is \$50 for each required exam. (Property & casualty is considered one examination when both are taken at the same time.)

CRIMINAL BACKGROUND CHECK – Statutory changes in 2002 require the Department to assume responsibility for investigating whether the individual applying for an agent license is trustworthy, reliable, and of good reputation before issuing the license. As part of that investigation, the individual must submit a current criminal background report with his or her completed license application. The individual must get the criminal background report from the Administrative Office of the Courts (AOC) by mailing the request **Form 8301-BGC**, as instructed on the form, with a \$10 check or money order made payable to the Kentucky State Treasurer to:

Administrative Office of the Courts
Pretrial Services, Records Division
100 Millcreek Park
Frankfort, KY 40601

(The license application **Form 8301** should be submitted to the Department only after the applicant has received the AOC report since a copy of the report must be attached to the application for license.) Note that the background report from AOC is good only for 60 days. At the end of 60 days from the report issue date, a new report will be required if the license has not been issued.

PRELICENSING TRAINING – Resident individuals applying for an agent license must complete a 40-hour prelicensing classroom course of study for their requested lines of authority **EXCEPT** for surety, travel, credit, and crop-hail as identified in KRS 304.9-230(1) and for variable life & variable annuity. The prelicensing course provider must complete the certification of completion of the prelicensing course on **Form CPL-01**. The certification of completion should accompany the license application **Form 8301**. (Both the prelicensing course and instructor must be prior approved by the Kentucky Department of Insurance.)

EXAMINATION – The resident individual applying for an agent license must successfully pass an examination for any line of authority requested **except** for limited line credit and variable life & variable annuity.

After the Department has determined that the application and all necessary attachments are in order, the applicant will receive a notice to report for any required exams. The notice to report will be sent to his or her home address. At that time, the individual must schedule an appointment for the exams with the Examination Section of the Licensing Division by calling (502) 564-6004 or e-mailing DOIAgentLicensingMail@ky.gov.

<p>ALL APPLICANTS MUST HAVE RECEIVED A NOTICE TO REPORT IN ORDER TO SCHEDULE AN EXAM. ALSO, ALL APPLICANTS MUST PROVIDE PHOTO IDENTIFICATION PRIOR TO BEING ADMITTED FOR ANY EXAMINATION.</p>
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The applicant has 120 days from the date of the license application to pass the exam. The applicant may not take the exam more than 3 times during this 120-day period. If the applicant takes an exam and does not pass it, the applicant must submit another \$50 for the new exam along with the Department's Retake **Form 8304** and make another appointment. The retake form will be provided to the applicant at the time the applicant is informed he or she failed to pass the exam. The expiration date of the application appears on the notice to report. The application will be denied if the applicant fails to pass the exam prior to the expiration date of the application.

Please be advised that if an applicant schedules an appointment for an exam and fails to appear for the scheduled appointment, the applicant will be required to pay an additional retake fee and submit a new retake Form 8304, prior to scheduling a new appointment.

If the applicant takes the exam at the Department's Frankfort testing site, the applicant will receive the exam scores as soon as the exam is completed. However, if the exam is taken at a regional testing site outside of Frankfort, it will take approximately one week for the applicant to receive exam scores.

If the applicant has already filed any required proof of financial responsibility, the applicant will be licensed upon passing the exam. The information will be posted immediately to the Internet for verification. The applicant will receive the license at his or her residence address listed on the application for license.

All passing exam scores are good for one year. After this one-year period, the applicant must submit all forms and fees, just like a first-time applicant, and take any required precicensing training and examinations.

EXEMPTIONS from Precicensing Training and Examinations

An applicant does not have to satisfy the precicensing training or the examination requirement if the individual:

- Holds a Certified Life Underwriter degree (exempt from Life exam only);
- Holds a Certified Property and Casualty Underwriter degree (exempt from Property, Casualty, and Personal Lines exams only);
- Holds a Certified Insurance Counselor designation (exempt from Life, Health, Property, Casualty, and Personal Lines exams);
- Held a similar license in Kentucky, other than a temporary license, within the past 12 months, unless the previous license was revoked for reasons other than failure to maintain financial responsibility or meet continuing education requirements;
- Held the same lines of authority in another state within the past 90 days and was in good standing in that state at the time of termination;
- Held the same lines of authority in another state within the past 12 months and applied for a Kentucky resident license within 90 days of establishing legal residence in Kentucky;
- Held a consultant license for the same lines of authority within the past 12 months, unless the previous license was revoked for reasons other than failure to maintain financial responsibility or meet continuing education requirements.

FINANCIAL RESPONSIBILITY – In order for an individual to be licensed as a resident agent, the applicant will be required to have on file with the Department, and maintain while the license is in effect, proof of financial responsibility in one of the following forms:

- **Errors and Omissions policy** issued by an authorized insurer in the amount of at least \$20,000 per occurrence and \$100,000 for all occurrences within a one-year period on **Form 99-1**, or
- **Letter of credit** for at least \$20,000 from a bank or other qualified financial institution on **Form 99-2**, or

- **Surety bond** issued by an authorized insurer in the amount of at least \$20,000 on **Form 99-3**, or
- **Assumption of legal liability agreement** filed by an appointing insurer, which assumes legal liability for \$20,000 per occurrence, if the applicant is an exclusive agent, on **Form 99-4** or **Form 99-6**. (These are accepted as proof of financial responsibility for issuing the license only if appointment **Form 8302-AP** and appointment fee are filed by the insurer in conjunction with the license application.)

Although proof of financial responsibility does not have to be submitted in order to take the exam, it is to the applicant's benefit that the proof is submitted with the application or prior to the exam, so that the individual may be licensed as soon as the exam is passed and all other qualifications are fulfilled.

Loss of Financial Responsibility – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being cancelled, are set out in 806 KAR 9:210.

APPOINTMENT – In order to exercise the license, the agent must obtain **at least one appointment** with an admitted insurer for that line of authority in order to write or do business in that particular line of authority. Further, the agent may get appointments with additional insurers at any time that the insurer files with the Department:

- Appointment – **Form 8302-AP**; and
- Applicable fees, if any.

Appointment fees for each foreign or alien insurer as well as each health maintenance organization, limited health service organization, fraternal benefit society, or KRS Chapter 304 Subtitle 32 Corporation represented, are:

- Property, Personal Lines, and Casualty lines of authority of agent, \$40;
- Life, Health, and Variable Life & Variable Annuity lines of authority of agent, \$40; and
- All other lines of authority of agent, \$40 each.

(The fee for a bundle of lines of authority is \$40 only if the lines of authority are applied for at the same time on the same appointment form.)

AGENT REPRESENTATIVE – A licensed agent may act as a representative of an insurer without being appointed for 30 days from the date the first insurance policy application is executed if the agent has on file with the Department proof of financial responsibility for at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Further, the agent representative must receive acknowledgement of approval of appointment within 30 days from the date the first insurance policy application is executed; otherwise, the agent must discontinue acting as an agent for that insurer until the approval has been received.

APPOINTMENT RENEWAL – Appointments are renewed biennially by March 31 through appointing insurers. Each insurer receives a list from the Department's records showing all agents with active appointments as of December 31 of the preceding calendar year. (The insurer is responsible for terminating any appointment prior to December 31 if the insurer does not want to pay the renewal fee for that agent. Further, the insurer must give written notice to any agent who is terminated or who is not renewed within 30 days of the termination or nonrenewal.)

The insurer must pay the appointment renewal fee no later than March 31 for each agent on the list sent by the Department in:

- Odd-numbered years for life and health insurers, including health maintenance organizations, limited health service organizations, fraternal benefit societies, and Subtitle 32 Corporations; and
- Even-numbered years for all other insurers.

ADDITIONAL LINES OF AUTHORITY – Once licensed, the licensee may add additional lines of authority by repeating the application process for the new line of authority, including submitting a new application with all required attachments, fulfilling all relevant requirements, and paying all applicable fees.

LICENSE RENEWAL – The license continues in force until expired, suspended, revoked, or otherwise terminated if the licensee makes a written request for continuation, confirms any applicable financial responsibility and certain other information in the Department's records, and pays the renewal fee as follows:

- Agent with one or more active appointments No fee
- Agent with no active appointments \$40

The renewal invoice and the payment of the license renewal fee stated on the renewal invoice are due by the end of the individual licensee's birth month in:

- Odd-numbered years for licensee born in odd year; and
- Even-numbered years for licensee born in even year.

(At least 30 days before the renewal deadline, the Department will send the licensee the renewal invoice containing all of the information that must be confirmed as well as the amount of the renewal fee due.)

All licensees are responsible for their own license renewal. **Each licensee must:**

- **Sign** the renewal invoice verifying all information is accurate,
- **Return the renewal invoice** directly to the Department, and
- **Remit** any required license **renewal fee** to the Department with the renewal invoice.

(The licensee can check the Department's Web site to confirm that the Department has received both the signed renewal invoice and any required renewal fees.)

Failure to Renew License by Deadline – If the Department does not receive the signed renewal invoice and any required fees by the deadline, the license will be automatically terminated as of the deadline and the licensee will be prohibited by law from exercising the license in any way (other than to receive renewal commission or deferred compensation on old business) until the license is reissued.

However, if the licensee submits the signed renewal invoice, the late renewal penalty payment, and any required renewal fees within 90 days after the deadline, the license will be reissued without the need for a new license application or other documentation. Note that there will be a gap in the license (and any appointments) from the date of the deadline until the date the Department receives the signed renewal invoice, penalty, and any required renewal fees.

CONTINUING EDUCATION – All individual agents with Kentucky resident licenses or Kentucky home state licenses are subject to continuing education for every line of authority

(**EXCEPT** for the limited lines of authority: credit, crop-hail, mechanical breakdown, motor vehicle physical damage, surety, and travel as identified in KRS 304.9-230).

The continuing education requirement of 24 hours for each continuing education biennium must be met on or before June 30 in **even** numbered years. At least 6 hours must be directly related to at least one of the agent's active lines of authority and 2 hours must be in ethics.

Only courses approved by the Kentucky Department of Insurance will be accepted as approved credit hours. No more than 12 hours of correspondence course credit will be accepted in any one biennium. Note that **failure to meet the continuing education requirements by June 30** will result in the **automatic termination of the license** unless the Department has granted the licensee a written extension or waiver prior to June 30.

Please refer to the Department's Web site, KRS 304.9-295, and 806 KAR 9:220 or 806 KAR 9:310 for additional details related to continuing education, such as the list of the approved providers, how the credit hours should be filed and applied, forms to file, deadlines, and extensions.

Extension to Comply or Waiver for Continuing Education – Extension to comply with continuing education requirements or waivers of continuing education requirements are available under very restricted circumstances:

- **Extension for Good Cause** – The Commissioner may grant an extension of time, not to exceed 2 years, to meet continuing education requirements for good cause. The determination of a good cause is at the discretion of the Commissioner. (In determining "good cause", the Commissioner considers the individual's situation including effort to meet requirements by deadline, circumstances that are preventing compliance, and documented medical restrictions.) Requests must be submitted in writing at least 60 days before the biennial deadline. If the Commissioner **denies an extension**, all continuing education requirements must still be completed before the June 30 deadline or the license will be terminated. If the Commissioner **grants an extension**, all requirements must be satisfied within the time specified in the extension or the license will be terminated.
- **Extension for Active Military Service** – The Governor's Executive Order 2003-221 provides for an extension of time to complete any continuing education requirements up to 90 days following demobilization from active duty or 90 days following deployment to Kentucky for licensees remaining on active duty in connection with Operations Noble Eagle or Enduring Freedom. If the license is terminated for failure to complete continuing education requirements during this particular military service, the Department will rectify the situation upon receipt of the licensee's deployment orders within the 90-day window.
- **Waiver with Affidavit** – An agent who has filed an Affidavit for Exemption (**Form CE/AFF-304**) may have his or her continuing education requirements waived. If the license is being kept for the sole purpose of receiving renewal commission or deferred compensation, the agent may file an affidavit with the Department to be granted an exemption. The agent must keep proof of financial responsibility on file with the Department and must meet all other requirements for license renewal including payment of all necessary fees to maintain an active license. As long as the affidavit is on file with the

Department, the agent is prohibited from performing any agent activities other than receiving renewal commission or deferred compensation on old business.

- **Withdrawal of Affidavit** – An agent must submit a letter to the commissioner requesting withdrawal of the affidavit and attaching proof of completion of 24 hours of approved continuing education (including 6 hours of credit for one or more of the agent's active lines of authority and 2 hours of ethics). Once the Department receives the required documentation for withdrawal of the affidavit, the restrictions on the agent's license will be lifted and the individual may resume all agent activities.

Non-Compliance with Continuing Education Requirements – An agent's lines of authority requiring continuing education will automatically terminate if the agent fails to:

- Meet continuing education requirements by June 30 in even years; or
- Verify with the Department the completion of the courses by August 30 in even years.

If all lines of authority are terminated, the license will automatically terminate; and the agent must immediately return the original license certificate to the Department without demand.

If the agent has one or more remaining lines of authority, the license will not terminate. However, the agent must return the original license certificate to the Department so that the Department can reprint the license with only the active lines of authority.

REISSUE OF TERMINATED LICENSE – The former licensee will have one year from his or her license termination date to re-qualify for the license without completing any required prelicensing training course or passing any required examinations. However, the former licensee must still submit a newly completed license application with all required attachments and pay the applicable fees. (If applying for an agent license, the former agent must contact all insurers he or she wants to represent so that the insurers can file the appointment **Form 8302-AP** with the applicable fees.)

In addition to submitting a license application and paying the licensing fees, if the license was terminated for

- **Failure to meet continuing education** requirements, the former licensee must complete the delinquent hours of continuing education and have certificates of completion filed with the Department, or
- **Failure to maintain financial responsibility**, the former licensee must obtain adequate financial responsibility and have the insurer or financial institution file the appropriate proof with the Department.

Note that there will be a gap in the license (and any appointments) from the date of the license termination until the date the license is reissued. During this gap, the licensee cannot exercise the license in any way (other than to receive renewal commission or deferred compensation on old business) until the license is reissued.